
CONFORMED COPY

**CREDIT NUMBER 4513-GE
(Amendment)**

Agreement Amending Financing Agreement

(Fourth Poverty Reduction Support Operation)

between

GEORGIA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated October 3, 2008

CREDIT NUMBER 4513-GE

AGREEMENT AMENDING FINANCING AGREEMENT

Agreement dated October 3, 2008, entered into between Georgia (the “Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (the “Association”).

(A) WHEREAS pursuant to a financing agreement dated June 12, 2008, between Georgia (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) (the “Financing Agreement”), the Association has agreed to extend to the Recipient, a credit in an amount equivalent to thirteen million eight hundred thousand Special Drawing Rights (SDR 13,800,000) in support of financing the Program as described in the preamble to the Financing Agreement (the “Program”) (Credit No. 4403-GE);

(B) WHEREAS the Recipient has requested the Association to provide supplemental financial assistance in support of the Program to assist the Recipient in meeting the increased financing requirements caused by the impact of the recent events in early August 2008, for the purpose of sustaining the implementation of the Program, mitigating the impact of the crisis on the economy and reducing the risks of deepening the economic downturn, by increasing the amount made available under the Financing Agreement by an amount equivalent to twenty five million five hundred thousand Special Drawing Rights (SDR 25,500,000), to be disbursed in a single tranche upon effectiveness of this Amending Agreement; and

(C) WHEREAS the Association has agreed, on the basis, among other things, of the foregoing to extend such additional assistance to the Recipient upon terms and conditions set forth in this Amending Agreement.

NOW THEREFORE the Parties hereto hereby agree as follows:

ARTICLE I - AMENDMENTS TO THE FINANCING AGREEMENT

1.01. Article I of the Financing Agreement is amended to read as follows:

“1.01. The General Conditions (as defined in the Appendix to the Financing Agreement) constitute an integral part of the Financing Agreement and this Amending Agreement.

1.02. Unless the context requires otherwise, the capitalized terms used in this Amending Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to the Financing Agreement, as amended hereby.”

1.02. Section 2.01 of the Financing Agreement is amended to read as follows:

“2.01. The Association agrees to make available to the Recipient, on the terms and conditions set forth or referred to in this Agreement an amount equivalent to thirty nine million three hundred thousand Special Drawing Rights (SDR 39,300,000) (variously, “Credit” and “Financing”); which includes: (a) an original credit in an amount equivalent to thirteen million eight hundred thousand Special Drawing Rights (SDR 13,800,000) (the Initial Credit); and (b) a Supplemental credit in an amount equivalent to twenty five million five hundred thousand (SDR 25,500,000) (the Supplemental Credit).”

1.03. Section 2.06 of the Financing Agreement is amended to read as follows:

“2.06. The principal amount of the Credit shall be repaid in accordance with repayment schedule set forth in the Annex 1 to this Amending Agreement.”

1.04. Paragraph B and the table under Section II of Schedule 1 to the Financing Agreement are hereby revised as follows:

“B. Allocation of Financing Amounts. The Initial Credit of SDR 13,800,000 shall be withdrawn in a single tranche. The Supplemental Credit of SDR 25,500,000 shall be withdrawn in a single tranche upon effectiveness of this Amending Agreement. The allocation of the amounts of the Financing to this end is set out in the table below:

Allocations	Amount of the Initial Credit Allocated (expressed in SDR)	Amount of the Supplemental Credit Allocated (expressed in SDR)
Single Tranche	13,800,000	25,500,000
TOTAL AMOUNT	13,800,000	25,500,000”

1.05. Schedule 2 to the Financing Agreement is hereby revised as indicated in the Annex to this Amending Agreement.

1.06. Section I Definitions under the Appendix to the Financing Agreement is hereby amended by adding a new Sub-section 9 which shall read as follows:

“9. “Amending Agreement” means the agreement amending the Financing Agreement between the Recipient and the Association dated June 12, 2008.”

- 1.07. Section II Modifications to the General Conditions under the Appendix to the Financing Agreement is hereby amended by adding a new Sub-section 8 which shall read as follows:

“8. Section 3.01(b) is revised to read as follows:

“(b) The Commitment Charge shall accrue from date sixty days after the date of the Financing Agreement to the respective dates on which amounts are withdrawn by the Recipient from the Financing Account or cancelled, provided however that the commitment charge on the Supplemental Credit shall accrue from a date sixty (60) days after the date of the Amending Agreement. The Commitment Charge shall accrue at the rate set as of the June 30 immediately preceding the accrual date and at such other rate as may be set from time to time thereafter pursuant to this Section. The rate set as of June 30 in each year shall be applied from the next Payment Date in that year. The Commitment Charge shall be payable semi-annually in arrears on each Payment Date. The Commitment Charge shall be computed on the basis of a 360-day year of twelve 30-day months.”

- 1.08. All other provisions of the Financing Agreement shall remain in full force and effect.

ARTICLE II - EFFECTIVE DATE; TERMINATION

- 2.01. This Amending Agreement shall not become effective until evidence satisfactory to the Association shall have been furnished to the Association that the execution and delivery of this Amending Agreement on behalf of the Recipient have been duly authorized or ratified by all necessary governmental action.
- 2.02. As part of the evidence to be furnished pursuant to Section 2.01 of this Amending Agreement, there shall be furnished to the Association an opinion or opinions satisfactory to the Association of counsel acceptable to the Association showing, on behalf of the Recipient, that this Amending Agreement has been duly authorized or ratified by, and executed and delivered on behalf of, the Recipient and is legally binding upon the Recipient in accordance with its terms.
- 2.03. This Amending Agreement shall come into force and effect on the date upon which the Association shall dispatch to the Recipient notice of its acceptance of the evidence required by Section 2.01 of this Amending Agreement.
- 2.04. If this Amending Agreement shall not have come into force and effect by a date ninety (90) days after the date of this Amending Agreement, this Amending Agreement and all obligations of the parties hereunder shall terminate, unless the Association establishes a later date for the purposes of this Section. If this Amending Agreement shall terminate under the provisions of this Section, the

Financing Agreement shall continue in full force and effect, as if this Amending Agreement had not been executed.

IN WITNESS WHEREOF, the parties hereto, acting through their duly authorized representatives, have caused this Amending Agreement to be signed in their respective names in Tbilisi, Georgia, as of the day and year first above written.

GEORGIA

By: /s/ Nikoloz Gilauri

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By: /s/ Van Roy Southworth

Authorized Representative

SCHEDULE 2**A. Repayment Schedule for the Initial Credit**

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage) *
On each February 15 and August 15:	
commencing August 15, 2018 to and including February 15, 2028	5%

B. Repayment Schedule for the Supplemental Credit

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage) *
On each February 15 and August 15:	
commencing February 15, 2019 to and including August 15, 2028	5%

* The percentages represent the percentage of the principal amount of the Credit to be repaid, except as the Association may otherwise specify pursuant to Section 3.03 (b) of the General Conditions.